CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA BENEFITS COMMITTEE

Meeting of Tuesday,
December 16, 1975

Attendance: Mr J. Tait, Chairman; Mr E.A. Lemieux, Vice Chairman; Prof. A. Dickie; Prof. B. Barbieri; Prof. J.C. Turgeon; Mr R. Martin; Prof. G. Martin; Mr C. Waters.

Minutes of the December 10, 1975 Meeting

On a motion by Mr R. Martin, seconded by Prof. Barbieri and unanimously carried, the minutes of the December 10, 1975 meeting were adopted as presented.

Selection of Consulting Actuaries

Mr Tait opened the discussion by commenting that in his view the committee's decision was one to be made on the basis of which firm would be best qualified to design a benefit program most suited to the needs of the Concordia University community. He further commented that the question of who would be the ongoing actuary for Concordia was one which could be resolved at a later date.

Prof. Dickie raised the question of finances. He asked if the amount requested from the government for integration of the Loyola and Sir George programs included an amount for designing a new plan. Prof. Martin answered that the amount requested was intended to cover both the cost of designing a Concordia plan and the costs involved for any required "catch-up" between the two programs.

Mr Tait commented that as far as he could judge, the four firms under consideration were all professionally competent. He suggested that the Committee consider the advantages of taking a fresh look at the current benefit programs. Such an approach would eliminate Towers Perrin and Tomenson Alexander.

Mr Waters informed the Committee that a reference check of the firms involved had provided all positive feed back. Some of the organizations contacted were more enthusiastic than others i.e. Queens University vis-à-vis Mercers and the Quebec Universities vis-à-vis Pouliot Guérard Castonguay. His conclusion, strengthened by the comments of the organizations contacted, was that the quality of the service provided by actuarial consultants depended more upon the individuals assigned to the project then upon the firm itself. He then reviewed the names of those who would be involved with the account:

T.P.F.&C.	- Colin Mills and Ed Kalakauskas
T.A.	- P. McLarren, J.P. Provencher and E. Meiras
Pouliot Guérard	- Marc Fernet and Jean Gérin
Mercers	- Robert Brochu, Richard Laberge and R. Lemieux

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Mr Waters then commented briefly on the firms under consideration. From a selfish point of view as Benefits Administrator, Towers Perrin would be the obvious choice as they handle all data for the Sir George Plan which is the most complicated in view of the exceptions caused by acquired rights and prior plan provisions Selection of T.P.F.&C. as consultants would eliminate most of the technical difficulties and delays caused by the extensive transfer of data and software.

Tomenson Alexander would fall into the same category as T.P.F.&C. only to a much lesser extent in view of their less extensive involvement.

Of the two outside firms he commented that Pouliot Guérard was the only Canadian firm and that they were very close to the Quebec Public Sector and Quebec University scene which could be both an advantage and a disadvantage. He also gave a few examples of the forward thinking of this firm which had been adopted by some of the Quebec Universities. Due to the fact that the firm is principally French speaking, he cautioned that language problems could cause some delays and communication difficulties. William M. Mercer being the largest firm of its type in Canada certainly has the resources and technical facilities. This firm has also a solid reputation in the business community and of several Canadian Universities outside Quebec.

Prof. Dickie commented that William M. Mercer were the actuaries of Sir George Williams University at the time the 1963 plan was introduced. He was pleased at that time by their competence and forward thinking. He commented that they had proposed a final average pension plan for 1963 but that the career average plan was adopted due to the limitation of funds available. He commented that T.P.F.&C. had disappointed him in their approach to some problems in the past. Mercer's therefore was his choice.

Mr R. Martin agreed that a fresh look at benefits was a good approach and that either Mercers or Pouliot Guérard should be selected. He was impressed with the forward thinking of Pouliot Guérard but the possible communications problem worried him. Mercers presentation, coupled with its reputation left him with an open choice between the two.

Prof. G. Martin commented that Mercer's presentation had been impressive. He pointed out however, that their non-involvement with either program made it easier for them to criticize. He stressed also that Carson Beadle had been a key factor in the quality of the presentation. Problems with communications worried Prof. Martin in respect to Pouliot Guérard Castonguay. He commented also that T.P.F.&C. had made a poor job of their presentation. His choice lay between Mercers and T.P.F.&C.

Prof. Barbieri stated that his choice was betwwen Mercers and Pouliot Guérard. His opinion was that either of these firms was well equipped to carry out the project. In view of the possible communication problem with Pouliot Guérard, his first choice was Mercers.

Prof. Turgeon commented that the critical study made by Mercers was very positive and indicated an awareness on their part towards the Concordia problem. He was emphatic in selecting Mercers as his first choice.

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Mr Tait advised the Committee that Dr Smola and Mr Hemens had voted in favour of Mercers and had asked him to act as proxy. Mr Waters had been handed a letter from Mr Lemieux at the opening of the meeting (Appendix "A") casting a vote in favour of Mercers.

The decision was therefore unanimous that:

a) William M. Mercers be charged with the design and development of Concordia Benefits Program

b) A decision as to the appointment of a consulting actuary on an ongoing basis for Concordia University would be made only at the implementation stage of the Concordia program.

The secretary was asked to inform William M. Mercer of the committee's decision and to point out that their appointment was to design and develop a program for Concordia and that the decision regarding the ongoing actuarial services would be made at a later date.

A discussion ensued as to the best approach to take in order that Mercers could get on with the job without delay.

It was decided that an initial meeting with Mercers be held on January 14th 1976. Mercers would be asked to prepare a "Summary of Benefits" as described on page 3 of their letter dated December 11th 1975 (Appendix "B"). They would also be asked to include some aspects of "Analyse benefits and recommend new programmes" as outlined on page 4 of the same letter. They would also be asked to be ready to answer questions on the "Employee Input" phase also described on page 3 of the same letter. It was agreed that time constraints would be discussed at the same meeting.

Mr Waters was to meet with Mercers to discuss the technical problems regarding data collection etc.

The meeting closed at 2:05 p.m. on a motion from the Chair.

G. Martin
Secretary

CW/dg